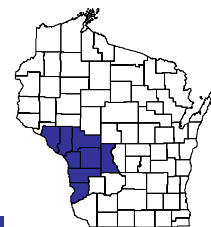


# WORKFORCE OBSERVATIONS

for the Western Wisconsin counties

Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon



published quarterly by the Office of Economic Advisors,

Wisconsin Department of Workforce Development

Fall 2005

*Starting with this issue, The Workforce Observations publication will be published quarterly. This publication will review the region's labor market over the previous quarter as well as featuring contemporary economic and demographic topics. This quarters feature is population.*

*As always, if you have any questions, comments, or suggestions, please contact the analyst listed at the bottom left of this page.*

In this issue:

- > Area population adds 10,869 residents
- > Three Western Wisconsin counties account for most of the area's births
- > Unemployment rates down
- > Labor force declines

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## Population Growth in Western Wisconsin

Final 2005 population figures tabulated by the Wisconsin Department of Administration have recently been released and they showed that all eight counties in Western Wisconsin gained population between the 2000 Census and the January 2005 population estimates. The pace, character, amount, and reasons for the growth varied widely within the eight counties.

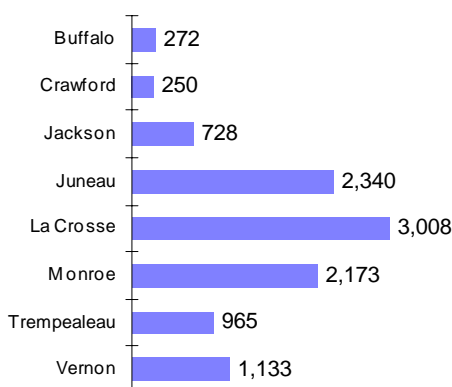
All eight counties experienced more births than deaths between 2000 and 2005. (See chart, page 2.) However, births in three counties (Crawford, Jackson,

### Western Wisconsin Population

	2000 Census	Jan 2005 estimate
Buffalo	13,804	14,076
Crawford	17,243	17,493
Jackson	19,100	19,828
Juneau	24,316	26,656
La Crosse	107,120	110,128
Monroe	40,896	43,069
Trempealeau	27,010	27,975
Vernon	28,056	29,189
<b>Western</b>	<b>277,545</b>	<b>288,414</b>

Source: WI Dept. of Admin., Demographic Services Center

### Number of people added



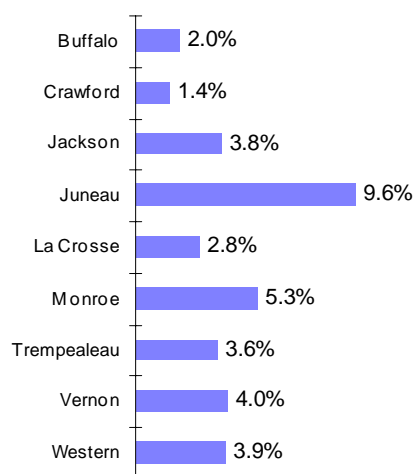
& Juneau) only exceed deaths by less than 100, each. Net migration (people moving in minus people moving out) not only kept these areas from losing their population base; it also gave Juneau the fastest growth rate and second largest net population increase in the region.

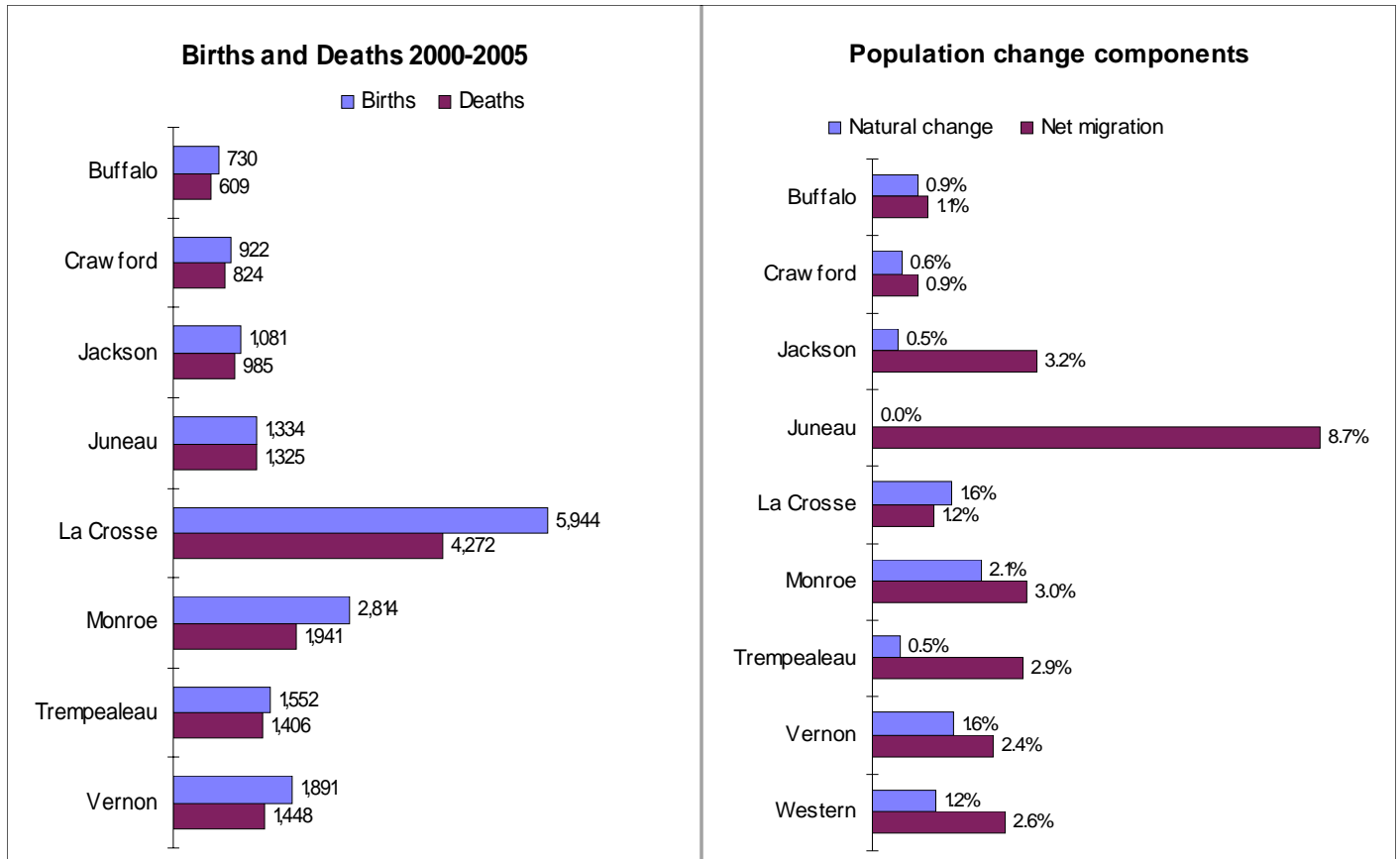
Demographers with the Department of Administration's Demographic Services Center project that Juneau will continue to

experience births that barely equal deaths through 2030.

Those demographers also project that all age groups under age 55 will shrink in Buffalo, Crawford, Juneau, and Trempealeau, counties and that the 60-and-

### Growth rates





over population will account for the lion's share of population growth in these counties.

Total population in Western Wisconsin increased by 10,869 in the five years since the 2000 US Census. Of that increase, 3,258 persons—32 percent of the total increase was the result of the eight county area having more births than deaths.

The majority of births are coming from just three counties in Western Wisconsin; La Crosse, Monroe, and Vernon. Taken together these three counties accounted for 86 percent of the population increase due to births exceeding deaths. On the other end of the spectrum, there are three counties taken together that account for only 6 percent of the area's increase due to births exceeding deaths. (Crawford, Jackson, & Juneau) The remaining two counties, Buffalo and Trempealeau, reported a modest but noticeable increase in population due to births exceeding deaths. These different birth/death

ratio dynamics in Western Wisconsin will impact the economic and social future of these counties for generations to come.

As previously mentioned, Juneau County had the fastest growth rate and the second largest net population increase among Western Wisconsin counties. Age trend graphs and the geographical distribution of population increases in Juneau indicate that Juneau is becoming a destination residence county for retired individuals. This trend with present the county's economy with both opportunities and challenges. Demand for personal services, health services, and amenities will increase at the same time that the pool of eligible workers to fill the jobs created by increased demand will decrease.

While Western Wisconsin's largest county, La Crosse, reported the largest net increase in population (3,008) - it's rate of growth (2.8 percent) placed sixth out of eight counties. Only Buffalo and Crawford

grew slower than La Crosse. The area's growth rate as a whole was 3.9 percent during the last five years.

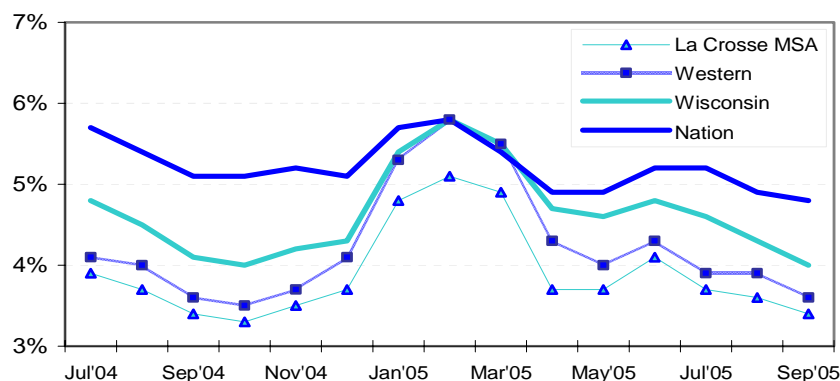
When one examines age cohort charts for La Crosse County, one can infer that a sizable portion of the increase from migration in the county is occurring in the younger group aged groups and is probably from an influx of students from neighboring counties. The presence of three quality institutes of higher learning in the county causes this influx of high school graduates to La Crosse County. However, both present and future projected age cohort demographics for the county indicates that a sizable number of these graduates do not remain in La Crosse after graduation. This issue will need to be addressed in the future, as the general shift toward an older population will make retention of these graduates even more important in the future.

# The Western Wisconsin Economic Situation—Fall 2005

No matter where you live in the United States, including Western Wisconsin, your life was/is impacted by hurricanes Katrina, Rita, and Wilma. The most obvious is the rippling effect in the rise in fuel costs. But as the gulf coast rebuilds in the south, here in Western Wisconsin the region may feel other consequences of the hurricanes as the need for construction materials, especially windows and doors, increases. Barge traffic to and from Western Wisconsin counties bordering the Mississippi River has increased recently, but still remains lower than average, because of the hurricanes. Corn and other commodity prices remain low, partly due to hurricane damage to port facilities on the gulf coast and disruptions to transportation and shipping. Some farmers are holding on to their crops, hoping for prices to increase soon.

The unemployment rate for Western Wisconsin fell during two of

Unemployment Rates - July 2004 - September 2005



	Jul'04	Aug'04	Sep'04	Jul'05	Aug'05	Sep'05
La Crosse MSA	3.9%	3.7%	3.4%	3.7%	3.6%	3.4%
Western	4.1%	4.0%	3.6%	3.9%	3.9%	3.6%
Wisconsin	4.8%	4.5%	4.1%	4.6%	4.3%	4.0%
Nation	5.7%	5.4%	5.1%	5.2%	4.9%	4.8%

Not Seasonally Adjusted. La Crosse MSA data includes Houston County MN & La Crosse County WI

The third quarter average number of unemployed in Western Wisconsin was 6,000 in 2005, down 200 from the estimate in 2004 and down 700 from the previous quarter. And the third quarter average labor force in

declining labor force may be that some people of leaving the labor force after not being able to find the type of work they are looking for.

Of note is the reduction in the

## Western Wisconsin Workforce Development Area - Quarterly Averages

Fall 2005	Buffalo	Crawford	Jackson	Juneau	Lacrosse	Monroe	Trempealeau	Vernon	Region	Non MSA*	Wisconsin
<b>Civilian Labor Force**</b>	8,100	9,700	9,900	13,100	62,600	23,500	16,200	15,200	158,200	95,700	3,062,400
Employed	7,800	9,300	9,500	12,400	60,300	22,600	15,700	14,600	152,300	91,900	2,931,600
Unemployed	280	390	450	660	2,300	850	530	560	6,000	3,700	130,800
Unemployment Rate	3.5%	4.0%	4.5%	5.1%	3.6%	3.6%	3.3%	3.7%	3.8%	3.9%	4.3%
<b>Change from Summer 2005</b>											
<b>Civilian Labor Force**</b>	0	300	-100	100	-300	-300	-200	0	-500	-200	10,000
Employed	100	400	0	200	-200	-200	-100	100	200	400	22,800
Unemployed	-60	-80	-80	-90	-100	-80	-120	-50	-700	-600	-12,800
Unemployment rate(%)	-0.8%	-0.9%	-0.7%	-0.7%	-0.2%	-0.3%	-0.7%	-0.3%	-0.4%	-0.6%	-0.4%
<b>Change from one year ago (Fall 2004)</b>											
<b>Civilian Labor Force**</b>	0	0	-200	-200	-800	0	100	0	-1,100	-300	-27,100
Employed	-30	30	-200	-110	-800	20	160	60	-900	-100	-19,300
Unemployed	0	-20	10	-50	0	-20	-60	-40	-200	-200	-7,900
Unemployment rate(%)	0.0%	-0.2%	0.2%	-0.3%	0.0%	-0.1%	-0.4%	-0.3%	-0.1%	-0.2%	-0.2%

\* Seven counties, excluding La Crosse County \*\* Includes participants residing in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

the three months of the third quarter and in July and August the rate was lower than the rate for the same month twelve months earlier. (In September 2005 the rate was equal to the rate for September 2004.) Driving the reduction in unemployment rate is an decrease in the number of unemployed residents in the region coupled with a declining labor force.

Western Wisconsin was 158,200 in 2005, down 1,100 from the estimate in 2004 and down 500 from the previous quarter.

Declines in the size of the labor force may be an indication that projected declines in the labor force due to the aging of Wisconsin are arriving here in the Western area. Another possible explanation for the

unemployment rate in Monroe County. As of September 2005 Monroe county now has the lowest unemployment rate in the region and is among the lowest in the state.

The low rates in Monroe County are the result of robust job growth since the third quarter of 2004 (see page 4).

# WORKFORCE OBSERVATIONS BY THE OFFICE OF ECONOMIC ADVISORS

	Qtr 3 2005	Qtr 2 2005	Qtr 3 2004	Qtr 3 2005	Qtr 2 2005	Qtr 3 2004	Qtr 3 2005	Qtr 2 2005	Qtr 3 2004	Qtr 3 2005	Qtr 2 2005	Qtr 3 2004	Qtr 3 2005	Qtr 2 2005	Qtr 3 2004
	<b>Buffalo</b>			<b>Crawford</b>			<b>Jackson</b>			<b>Juneau</b>			<b>La Crosse *</b>		
Total Nonfarm jobs	5,100	5,200	5,100	8,500	8,200	8,300	8,600	8,700	8,700	9,100	9,100	9,100	68,400	69,100	68,500
Const/Min'g/Nat. Resources	150	130	140	240	230	240	1,190	1,020	1,190	320	290	310	3,000	2,800	2,900
Manufacturing	290	250	300	1,940	1,900	1,820	910	910	910	1,990	1,970	2,100	8,400	8,600	9,200
Trade	420	430	430	2,100	1,880	2,000	970	1,000	980	1,160	1,140	1,150	11,700	11,500	11,100
Transportation & Utilities	2,100	2,000	2,000	190	200	190	800	790	780	330	350	310	2,100	2,200	2,200
Financial Activities	170	170	160	170	170	170	240	240	240	210	200	210	3,100	3,100	3,000
Education & Health Services	600	590	570	1,250	1,220	1,210	800	790	770	1,240	1,230	1,190	13,200	13,400	13,100
Leisure & Hospitality	330	330	340	910	860	900	840	790	830	850	810	840	6,900	6,900	7,200
Info, Prof/Bus.Srv, Othr Srv.	290	290	280	600	580	600	440	440	450	710	710	680	10,900	10,800	10,800
Total Government	820	940	850	1,190	1,180	1,180	2,400	2,800	2,600	2,300	2,400	2,300	9,000	9,900	9,000
Federal	170	160	170	80	70	80	50	50	50	250	250	270	480	480	540
State	20	20	20	230	220	220	460	450	450	810	790	770	2,000	2,400	2,100
Local	630	760	650	890	890	890	1,930	2,300	2,100	1,200	1,330	1,230	6,500	7,000	6,400
	<b>Monroe</b>			<b>Trempealeau</b>			<b>Vernon</b>			<b>Western</b>			<b>Wisconsin **</b>		
Total Nonfarm jobs	19,300	19,600	18,800	13,600	13,800	13,100	9,000	9,000	8,700	141,500	142,800	140,400	2,849.1	2,840.4	2830.2
Const/Min'g/Nat. Resources	660	620	640	400	360	390	280	260	280	6,200	5,700	6,100	146.9	138.5	141.6
Manufacturing	3,600	3,600	3,500	5,600	5,600	5,300	710	710	720	23,400	23,600	23,800	508.4	502.4	509.1
Trade	2,600	2,600	2,600	1,470	1,500	1,440	1,770	1,790	1,690	22,200	21,800	21,500	433.5	430.1	434.4
Transportation & Utilities	1,710	1,720	1,630	580	580	570	310	310	310	8,100	8,200	8,000	108.0	108.8	107.6
Financial Activities	510	520	530	470	460	440	410	390	380	5,300	5,200	5,200	159.6	158.3	158.2
Education & Health Services	2,100	2,100	2,000	1,310	1,290	1,260	2,200	2,200	2,100	22,700	22,800	22,200	380.6	382.3	375.9
Leisure & Hospitality	1,950	1,770	1,860	820	780	800	700	700	720	13,300	12,900	13,500	273.6	260.0	269.6
Info, Prof/Bus.Srv, Othr Srv.	2,100	2,300	1,890	1,060	1,090	1,070	660	660	670	16,800	16,900	16,400	448.9	439.9	443.2
Total Government	4,000	4,300	4,200	1,890	2,200	1,860	1,930	2,000	1,860	23,500	25,600	23,800	389.7	420.2	390.6
Federal	2,000	2,000	2,100	120	120	130	120	120	120	3,300	3,300	3,500	29.3	29.2	29.7
State	250	250	250	40	40	40	50	40	50	3,900	4,200	3,900	98.4	101.9	98.8
Local	1,720	2,000	1,780	1,720	2,000	1,680	1,760	1,840	1,690	16,300	18,100	16,400	262.0	289.1	262.1

\* Since neither the US DOL nor Wisconsin DWD produces monthly NFWS INDUSTRY estimates for La Crosse County separated from Houston County Minnesota, the NFWS INDUSTRY data for La Crosse County presented here is based on interpolation.\*\* Wisconsin data in thousands. NFWS data in benchmarked to March 2005. Estimates are NOT seasonally adjusted. Current quarter estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

The number of jobs with local employers reached 141,500 in third quarter of 2005 and is higher than in the same quarter one year ago even though there were fewer jobs than in the second quarter of this year. The drop in the number of jobs in third quarter occurs every year. The large number of workers with local school system who are furloughed every spring out-numbers any increase in jobs from employers adding workers for the summer months. All counties in the region experience the reductions in school related employment but the job gains from summer employment are stronger in at least on of the counties in Western Wisconsin. Leisure and hospitality employers contributed to Crawford County's increase in employment from the second quarter to the third quarter. All other counties in

Western Wisconsin either lost employment or reported no change in employment during the time period.

As previously alluded to, comparing the third quarter of 2005 to the third quarter of 2004 paints an entirely different picture.

Four of eight Western Wisconsin Counties (Crawford, Monroe, Trempealeau, & Vernon) reported increases in industry employment compared to the same period of last year. Two counties (Juneau & Buffalo) were unchanged, and two counties (Jackson & La Crosse) posted modest declines in their industry employment levels.

Bucking state and national trends, Trempealeau County's manufacturing employment levels continue to climb, up 300 from a year ago. Anchored by less-volatile nondurable good

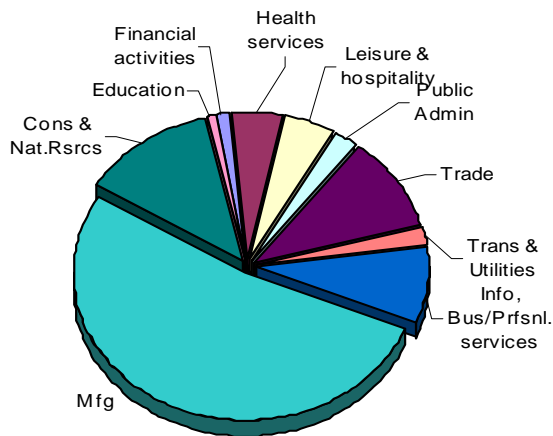
manufactures of food and home furnishings, the county's employers have been successful to date in competing locally and internationally in the new economy.

Monroe County's solid increase of 500 jobs in the last year was spread over a few key industries. Leading industries included manufacturing-up by 100, education & health services-up by 100, transportation-up by 100, and information/professional/other services-up by more than 200.

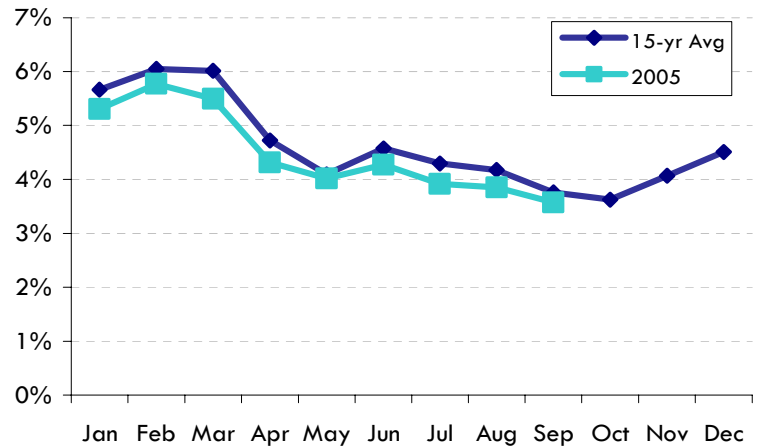
The economic impact of Fort McCoy and the Federal Veteran's Hospital in Monroe County cannot be underestimated. While Federal employment itself was down slightly over the year in Monroe, ancillary industries serving these two employers and their families continued to grow and expand.

# Quarterly Economics Scorecard

Initial Claims for Unemployment Benefits by Industry  
in Qtr 3 2005 in Western Wisconsin



WESTERN WDA-9 Unemployment Rates

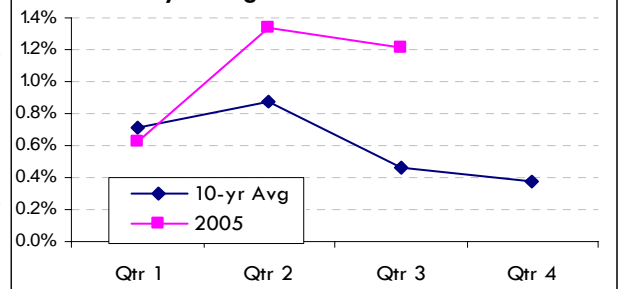


	Change over previous quarter				over yr
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 3
Consumer Price Index - All items	2005	2005	2005*	2005	2004
United States	0.6%	1.3%	1.2%		3.8%
Midwest cities (50,000-1.5 million pop.)	0.5%	1.2%	1.6%		4.2%
Midwest cities (less than 50,000 pop.)	1.0%	1.5%	1.7%		4.7%
<b>Employment Cost Index</b>					
Civilian total compensation	1.1%	0.6%	0.9%		3.1%
Private industry total compensation	1.1%	0.7%	0.6%		3.0%
Local & state govt. total compensation	0.9%	0.3%	1.8%		3.7%
Civilian wages	0.7%	0.5%	0.8%		2.3%
Private wages	0.7%	0.6%	0.7%		2.2%
Local & state government wages	0.6%	0.2%	1.3%		2.7%
Civilian benefits	2.2%	0.7%	1.1%		5.1%
Private industry benefits	2.3%	0.8%	0.7%		4.8%
Local & state government benefits	1.4%	0.5%	3.0%		6.1%

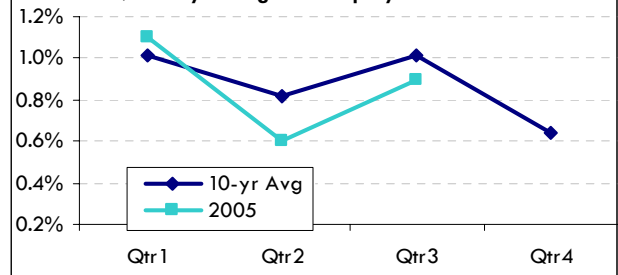
Source: US Bureau of Labor Statistics

\* current quarter

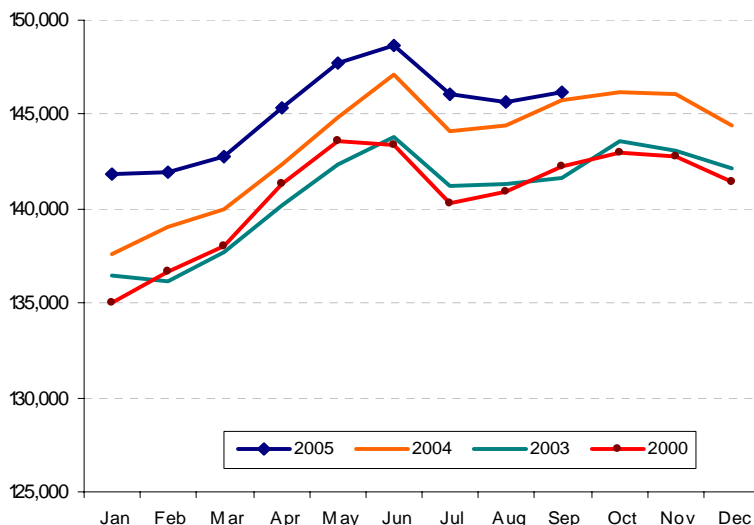
Quarterly Changes in Consumer Price Index



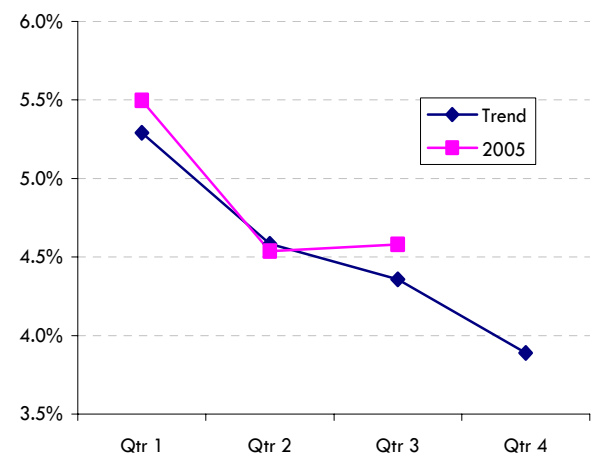
Quarterly Changes in Employment Cost Index



Total Nonfarm Jobs in Western Wisconsin



La Crosse city, WI Unemployment Rate



Trend is 15 year average 1990-2005

Note: For the purposes of this graph, all of the La Crosse MSA has been included in the Western Wisconsin WDA. The La Crosse MSA consists of La Crosse County WI & Houston County MN.